

**INTERNAL SERVICE FUNDS
DECEMBER 31, 2007**

Building Development and Management Corporations Fund – Accounts for the development, construction, management and financing of County buildings.

Construction and Facilities Management Fund – Accounts for custodial services, building maintenance, and CIP project management. The fund earns revenue by charging tenants of County buildings for facilities maintenance, renovation, and architectural services.

DES Equipment Replacement Fund – Accounts for the purchase and replacement of personal computers for the agencies in King County Department of Executive Services.

Employee Benefits Program Fund – Accounts for the activities of employee medical, dental, life insurance, and long-term disability benefit programs and will account for future modifications to existing benefits or additions of new employee benefits.

Financial Management Services Fund – Accounts for financial services, including accounting, treasury, contracts, and procurement services provided to King County and other contracting agencies.

Office of Information Resource Management Operating Fund – Accounts for the activities relating to the operations of the Office of Information Resource Management, including countywide information technology strategic planning and project management oversight.

Information and Telecommunications Services Fund – Consists of two subfunds that account for data processing and telecommunications services provided to King County and other contracting agencies. The Data Processing Services subfund is responsible for the wide area data network, applications development and support, data center operations, database and server maintenance, server hosting, internet access, web infrastructure, help desk operations, and equipment replacement services. The Telecommunications Services subfund is responsible for managing desktop and wireless telephony services. This includes billing, inventory, maintenance and replacement of telephone systems, managing calling card and long distance services, and providing consulting services on a time-available basis to County telephone users.

Insurance Fund – Accounts for the activities of the Office of Risk Management, which include performing risk analysis, evaluating alternatives and purchasing insurance, adjusting claims, and recommending policies and practices to reduce potential liabilities and ensure the adequacy of insurance coverage for King County departments.

King County Geographic Information Systems Fund – Accounts for the activities required to operate, maintain, and enhance the automated geographic information systems that serve both King County agencies and external customers.

Motor Pool Equipment Rental Fund – Accounts for the purchase and maintenance of a fleet of vehicles for use by County agencies.

Printing/Graphic Arts Services Fund – Accounts for printing, graphic arts, and duplicating services.

Public Works Equipment Rental Fund – Accounts for the purchase and maintenance of equipment and materials primarily used by the Road Services Division for maintenance and repair.

Safety and Workers' Compensation Fund – Accounts for the administration of an employee safety and training program designed to provide a safe and healthful workplace, as required by the Washington Industrial Safety and Health Act of 1973, and accounts for King County's self-insured worker compensation system as certified under Title 51 Revised Code of Washington (RCW), Industrial Insurance Act.

Wastewater Equipment Rental Fund – Accounts for the purchase and maintenance of a fleet of equipment and vehicles for use by the Wastewater Treatment Division and Water and Land Resources.

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2007
(IN THOUSANDS)
(PAGE 1 OF 3)

	TOTAL	BUILDING DEVELOPMENT & MANAGEMENT CORPORATIONS	CONSTRUCTION & FACILITIES MANAGEMENT	DES EQUIPMENT REPLACEMENT	EMPLOYEE BENEFITS PROGRAM
ASSETS					
Current assets					
Cash and cash equivalents	\$ 188,834	\$ 2	\$ 2,067	\$ 604	\$ 33,417
Restricted cash and cash equivalents	126,127	126,127	-	-	-
Investments	3,141	-	-	-	-
Interest receivable	517	447	-	-	-
Accounts receivable	790	673	1	-	50
Estimated uncollectible accounts receivable	(5)	-	-	-	-
Due from other funds	4,412	-	1,676	667	46
Due from other governments, net	422	-	-	-	-
Inventory of supplies	1,436	-	201	-	-
Prepayments	8,556	27	-	-	-
Total current assets	<u>334,230</u>	<u>127,276</u>	<u>3,945</u>	<u>1,271</u>	<u>33,513</u>
Noncurrent Assets					
Cash and cash equivalents	47,839	47,839	-	-	-
Deferred charges	5,770	5,770	-	-	-
Capital assets					
Land	20,395	20,395	-	-	-
Buildings	195,788	195,788	-	-	-
Improvements other than buildings	2,509	-	525	-	-
Accumulated depreciation	(17,360)	(16,775)	(332)	-	-
Furniture, machinery and equipment	96,164	-	4,995	2,064	3,505
Accumulated depreciation	(63,238)	-	(1,690)	(1,312)	(43)
Work in progress	45,618	45,618	-	-	-
Total capital assets	<u>279,876</u>	<u>245,026</u>	<u>3,498</u>	<u>752</u>	<u>3,462</u>
Total noncurrent assets	<u>333,485</u>	<u>298,635</u>	<u>3,498</u>	<u>752</u>	<u>3,462</u>
TOTAL ASSETS	<u>667,715</u>	<u>425,911</u>	<u>7,443</u>	<u>2,023</u>	<u>36,975</u>
LIABILITIES					
Current liabilities					
Accounts payable	8,543	324	1,153	120	1,697
Contracts payable	12,049	12,049	-	-	-
Retainage payable	2,448	2,446	2	-	-
Estimated claim settlements	87,185	-	-	-	13,872
Due to other funds	3,732	-	233	-	43
Due to other governments	9	9	-	-	-
Interest payable	1,699	1,693	6	-	-
Interfund short-term loans payable	1,629	-	-	-	-
Wages payable	2,890	-	877	-	69
Compensated absences payable	553	-	141	-	11
Taxes payable	43	20	7	-	-
Unearned revenues	836	2	-	-	598
General obligation bonds payable	170	-	170	-	-
Revenue bonds payable	5,895	5,895	-	-	-
Assessments payable	15	-	15	-	-
Custodial accounts	165	-	-	-	165
Total current liabilities	<u>127,861</u>	<u>22,438</u>	<u>2,604</u>	<u>120</u>	<u>16,455</u>
Long-term liabilities					
Compensated absences payable	9,599	-	2,448	-	194
Other postemployment benefits	202	-	74	-	2
General obligation bonds payable	420	-	420	-	-
Revenue bonds payable	408,640	408,640	-	-	-
Assessments payable	44	-	44	-	-
Estimated claim settlements	49,360	-	-	-	-
Total long-term liabilities	<u>468,265</u>	<u>408,640</u>	<u>2,986</u>	<u>-</u>	<u>196</u>
TOTAL LIABILITIES	<u>596,126</u>	<u>431,078</u>	<u>5,590</u>	<u>120</u>	<u>16,651</u>
NET ASSETS					
Invested in capital assets, net of related debt	14,623	(19,637)	2,908	752	3,462
Restricted for:					
Capital projects	5,865	5,865	-	-	-
Debt Service	26,817	26,817	-	-	-
Unrestricted	24,284	(18,212)	(1,055)	1,151	16,862
TOTAL NET ASSETS	<u>\$ 71,589</u>	<u>\$ (5,167)</u>	<u>\$ 1,853</u>	<u>\$ 1,903</u>	<u>\$ 20,324</u>

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2007
 (IN THOUSANDS)
 (PAGE 2 OF 3)

FINANCIAL MANAGEMENT SERVICES	OFFICE OF INFORMATION RESOURCE MANAGEMENT OPERATING	INFORMATION & TELECOM- MUNICATIONS SERVICES	INSURANCE	KING COUNTY GEOGRAPHIC INFORMATION SYSTEMS	MOTOR POOL EQUIPMENT RENTAL
\$ 5,042	\$ 1,704	\$ 8,313	\$ 81,732	\$ 972	\$ 5,350
-	-	-	-	-	-
-	-	-	-	-	-
-	-	64	-	2	-
-	-	(5)	-	-	-
386	45	863	54	39	42
390	-	30	-	-	-
-	-	-	-	-	84
-	-	-	8,529	-	-
<u>5,818</u>	<u>1,749</u>	<u>9,265</u>	<u>90,315</u>	<u>1,013</u>	<u>5,476</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,984
-	-	-	-	-	(253)
3,798	48	10,785	45	735	30,545
(2,977)	(36)	(9,257)	(36)	(566)	(20,634)
-	-	-	-	-	-
<u>821</u>	<u>12</u>	<u>1,528</u>	<u>9</u>	<u>169</u>	<u>11,642</u>
<u>821</u>	<u>12</u>	<u>1,528</u>	<u>9</u>	<u>169</u>	<u>11,642</u>
<u>6,639</u>	<u>1,761</u>	<u>10,793</u>	<u>90,324</u>	<u>1,182</u>	<u>17,118</u>
775	8	2,066	161	210	195
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	58,192	-	-
569	22	1,665	372	26	185
-	-	-	-	-	-
-	-	-	-	-	-
702	50	649	71	112	53
155	13	130	14	16	11
-	-	14	-	1	-
211	-	25	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,412</u>	<u>93</u>	<u>4,549</u>	<u>58,810</u>	<u>365</u>	<u>444</u>
2,695	223	2,242	240	288	182
48	2	36	5	7	5
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,743</u>	<u>225</u>	<u>2,278</u>	<u>245</u>	<u>295</u>	<u>187</u>
<u>5,155</u>	<u>318</u>	<u>6,827</u>	<u>59,055</u>	<u>660</u>	<u>631</u>
821	12	1,528	9	169	11,642
-	-	-	-	-	-
-	-	-	-	-	-
<u>663</u>	<u>1,431</u>	<u>2,438</u>	<u>31,260</u>	<u>353</u>	<u>4,845</u>
<u>\$ 1,484</u>	<u>\$ 1,443</u>	<u>\$ 3,966</u>	<u>\$ 31,269</u>	<u>\$ 522</u>	<u>\$ 16,487</u>

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2007
 (IN THOUSANDS)
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	PRINTING/ GRAPHIC ARTS SERVICES	PUBLIC WORKS EQUIPMENT RENTAL	SAFETY & WORKERS' COMPENSATION	WASTEWATER EQUIPMENT RENTAL
ASSETS				
Current assets				
Cash and cash equivalents	\$ -	\$ 8,201	\$ 35,854	\$ 5,576
Restricted cash and cash equivalents	-	-	-	-
Investments	-	-	3,141	-
Interest receivable	-	-	70	-
Accounts receivable	-	-	-	-
Estimated uncollectible accounts receivable	-	-	-	-
Due from other funds	278	232	84	-
Due from other governments, net	2	-	-	-
Inventory of supplies	-	1,144	-	7
Prepayments	-	-	-	-
Total current assets	<u>280</u>	<u>9,577</u>	<u>39,149</u>	<u>5,583</u>
Noncurrent Assets				
Cash and cash equivalents	-	-	-	-
Deferred charges	-	-	-	-
Capital assets				
Land	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Accumulated depreciation	-	-	-	-
Furniture, machinery and equipment	618	26,457	177	12,392
Accumulated depreciation	(418)	(16,985)	(151)	(9,133)
Work in progress	-	-	-	-
Total capital assets	<u>200</u>	<u>9,472</u>	<u>26</u>	<u>3,259</u>
Total noncurrent assets	<u>200</u>	<u>9,472</u>	<u>26</u>	<u>3,259</u>
TOTAL ASSETS	<u>480</u>	<u>19,049</u>	<u>39,175</u>	<u>8,842</u>
LIABILITIES				
Current liabilities				
Accounts payable	256	497	1,040	41
Contracts payable	-	-	-	-
Retainage payable	-	-	-	-
Estimated claim settlements	-	-	15,121	-
Due to other funds	527	28	34	28
Due to other governments	-	-	-	-
Interest payable	-	-	-	-
Interfund short-term loans payable	1,629	-	-	-
Wages payable	37	173	97	-
Compensated absences payable	1	47	14	-
Taxes payable	1	-	-	-
Unearned revenues	-	-	-	-
General obligation bonds payable	-	-	-	-
Revenue bonds payable	-	-	-	-
Assessments payable	-	-	-	-
Custodial accounts	-	-	-	-
Total current liabilities	<u>2,451</u>	<u>745</u>	<u>16,306</u>	<u>69</u>
Long-term liabilities				
Compensated absences payable	21	817	249	-
Other postemployment benefits	4	13	6	-
General obligation bonds payable	-	-	-	-
Revenue bonds payable	-	-	-	-
Assessments payable	-	-	-	-
Estimated claim settlements	-	-	49,360	-
Total long-term liabilities	<u>25</u>	<u>830</u>	<u>49,615</u>	<u>-</u>
TOTAL LIABILITIES	<u>2,476</u>	<u>1,575</u>	<u>65,921</u>	<u>69</u>
NET ASSETS				
Invested in capital assets, net of related debt	200	9,472	26	3,259
Restricted for:				
Capital projects	-	-	-	-
Debt Service	-	-	-	-
Unrestricted	(2,196)	8,002	(26,772)	5,514
TOTAL NET ASSETS	<u>\$ (1,996)</u>	<u>\$ 17,474</u>	<u>\$ (26,746)</u>	<u>\$ 8,773</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007
(IN THOUSANDS)
(PAGE 1 OF 3)**

	TOTAL	BUILDING DEVELOPMENT & MANAGEMENT CORPORATIONS	CONSTRUCTION & FACILITIES MANAGEMENT	DES EQUIPMENT REPLACEMENT	EMPLOYEE BENEFITS PROGRAM
OPERATING REVENUES					
Profit on inventory sales					
Sales of inventory	\$ 8,052	\$ -	\$ -	\$ -	\$ -
Cost of goods sold	<u>(7,028)</u>	-	-	-	-
Gross profit on inventory	1,024	-	-	-	-
Data processing services - intracounty	26,816	-	-	-	-
Data processing services - other	483	-	-	-	-
Telecommunication services	2,923	-	-	-	-
Information resources management fees	1,865	-	-	-	-
Geographic information systems fees	4,334	-	-	-	-
Building management fees	12,682	12,682	-	-	-
Building operation and maintenance service fees	31,126	-	31,126	-	-
Architect/engineering/renovation service fees	8,747	-	8,747	-	-
Benefit program employer contributions	175,423	-	-	-	175,423
Benefit program employee fees	7,784	-	-	-	7,784
Financial services	29,365	-	-	-	-
Insurance services	22,827	-	-	-	-
Equipment rental fees	17,283	-	-	-	-
Fixed asset data management services	157	-	-	-	-
Garage shop services	405	-	-	-	-
Printing and duplication	3,072	-	-	-	-
Workers' compensation employer contributions	37,903	-	-	-	-
Miscellaneous	<u>2,839</u>	<u>16</u>	<u>106</u>	<u>667</u>	<u>-</u>
Total operating revenues	<u>387,058</u>	<u>12,698</u>	<u>39,979</u>	<u>667</u>	<u>183,207</u>
OPERATING EXPENSES					
Personal services	79,611	-	25,567	-	1,884
Materials and supplies	10,648	-	1,635	-	34
Contract services and other charges	247,180	2,931	9,804	-	170,917
Lease and maintenance of equipment	6,427	-	474	-	10
Internal services	21,036	-	3,378	24	273
Depreciation	<u>11,672</u>	<u>3,150</u>	<u>385</u>	<u>370</u>	<u>9</u>
Total operating expenses	<u>376,574</u>	<u>6,081</u>	<u>41,243</u>	<u>394</u>	<u>173,127</u>
OPERATING INCOME (LOSS)	<u>10,484</u>	<u>6,617</u>	<u>(1,264)</u>	<u>273</u>	<u>10,080</u>
NONOPERATING REVENUES					
Interest	<u>7,436</u>	<u>1,580</u>	<u>173</u>	<u>23</u>	<u>876</u>
Total nonoperating revenues	<u>7,436</u>	<u>1,580</u>	<u>173</u>	<u>23</u>	<u>876</u>
NONOPERATING EXPENSES					
Interest	10,377	10,260	35	-	-
(Gain) loss on disposal of capital assets	<u>(1,016)</u>	<u>-</u>	<u>(588)</u>	<u>1</u>	<u>-</u>
Total nonoperating expenses	<u>9,361</u>	<u>10,260</u>	<u>(553)</u>	<u>1</u>	<u>-</u>
Income (loss) before contributions and transfers	8,559	(2,063)	(538)	295	10,956
Capital contributions	1,904	-	1,672	17	-
Transfers in	1,620	-	383	-	-
Transfers out	<u>(5,802)</u>	<u>-</u>	<u>(233)</u>	<u>(39)</u>	<u>(69)</u>
CHANGE IN NET ASSETS	<u>6,281</u>	<u>(2,063)</u>	<u>1,284</u>	<u>273</u>	<u>10,887</u>
NET ASSETS - JANUARY 1, 2007 (RESTATED) ^(a)	<u>65,308</u>	<u>(3,104)</u>	<u>569</u>	<u>1,630</u>	<u>9,437</u>
NET ASSETS - DECEMBER 31, 2007	<u>\$ 71,589</u>	<u>\$ (5,167)</u>	<u>\$ 1,853</u>	<u>\$ 1,903</u>	<u>\$ 20,324</u>

(a) See Note 15, "Restrictions, Reserves, Designations, and Changes in Equity" – Restatements of Beginning Balances.

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007
(IN THOUSANDS)
(PAGE 2 OF 3)**

	FINANCIAL MANAGEMENT SERVICES	OFFICE OF INFORMATION RESOURCE MANAGEMENT OPERATING	INFORMATION & TELECOM- MUNICATIONS SERVICES	INSURANCE
OPERATING REVENUES				
Profit on inventory sales				
Sales of inventory	\$ -	\$ -	\$ -	\$ -
Cost of goods sold	-	-	-	-
Gross profit on inventory	-	-	-	-
Data processing services - intracounty	-	-	26,816	-
Data processing services - other	-	-	483	-
Telecommunication services	-	-	2,923	-
Information resources management fees	-	1,865	-	-
Geographic information systems fees	-	-	-	-
Building management fees	-	-	-	-
Building operation and maintenance service fees	-	-	-	-
Architect/engineering/renovation service fees	-	-	-	-
Benefit program employer contributions	-	-	-	-
Benefit program employee fees	-	-	-	-
Financial services	29,365	-	-	-
Insurance services	-	-	-	22,827
Equipment rental fees	-	-	-	-
Fixed asset data management services	-	-	-	-
Garage shop services	-	-	-	-
Printing and duplication	-	-	-	-
Workers' compensation employer contributions	-	-	-	-
Miscellaneous	15	-	32	1,760
Total operating revenues	<u>29,380</u>	<u>1,865</u>	<u>30,254</u>	<u>24,587</u>
OPERATING EXPENSES				
Personal services	19,530	1,181	17,007	2,071
Materials and supplies	297	5	1,310	52
Contract services and other charges	2,012	71	2,449	30,834
Lease and maintenance of equipment	1,281	12	3,066	33
Internal services	7,514	277	3,096	1,433
Depreciation	371	8	796	1
Total operating expenses	<u>31,005</u>	<u>1,554</u>	<u>27,724</u>	<u>34,424</u>
OPERATING INCOME (LOSS)	<u>(1,625)</u>	<u>311</u>	<u>2,530</u>	<u>(9,837)</u>
NONOPERATING REVENUES				
Interest	441	49	-	2,704
Total nonoperating revenues	<u>441</u>	<u>49</u>	<u>-</u>	<u>2,704</u>
NONOPERATING EXPENSES				
Interest	-	-	7	-
(Gain) loss on disposal of capital assets	3	-	23	-
Total nonoperating expenses	<u>3</u>	<u>-</u>	<u>30</u>	<u>-</u>
Income (loss) before contributions and transfers	(1,187)	360	2,500	(7,133)
Capital contributions	-	5	-	-
Transfers in	-	-	1,169	-
Transfers out	(211)	(29)	(5,041)	(2)
CHANGE IN NET ASSETS	<u>(1,398)</u>	<u>336</u>	<u>(1,372)</u>	<u>(7,135)</u>
NET ASSETS - JANUARY 1, 2007 (RESTATED) ^(a)	<u>2,882</u>	<u>1,107</u>	<u>5,338</u>	<u>38,404</u>
NET ASSETS - DECEMBER 31, 2007	<u>\$ 1,484</u>	<u>\$ 1,443</u>	<u>\$ 3,966</u>	<u>\$ 31,269</u>

(a) See Note 15, "Restrictions, Reserves, Designations, and Changes in Equity" – Restatements of Beginning Balances.

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007
(IN THOUSANDS)
(PAGE 3 OF 3)**

KING COUNTY GEOGRAPHIC INFORMATION SYSTEMS	MOTOR POOL EQUIPMENT RENTAL	PRINTING/ GRAPHIC ARTS SERVICES	PUBLIC WORKS EQUIPMENT RENTAL	SAFETY & WORKERS' COMPENSATION	WASTEWATER EQUIPMENT RENTAL
\$ -	\$ 2,493	\$ -	\$ 5,249	\$ -	\$ 310
-	(2,328)	-	(4,424)	-	(276)
-	165	-	825	-	34
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,334	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	8,600	-	6,752	-	1,931
-	-	-	157	-	-
-	78	-	327	-	-
-	-	3,072	-	-	-
-	-	-	-	37,903	-
-	167	11	62	-	3
4,334	9,010	3,083	8,123	37,903	1,968
3,150	1,749	1,056	3,582	2,592	242
56	3,695	465	2,741	51	307
18	187	946	251	26,751	9
343	383	469	223	101	32
334	1,082	675	803	1,874	273
51	3,321	15	2,358	3	834
3,952	10,417	3,626	9,958	31,372	1,697
382	(1,407)	(543)	(1,835)	6,531	271
-	138	-	285	1,014	153
-	138	-	285	1,014	153
-	-	75	-	-	-
-	(61)	-	(275)	-	(119)
-	(61)	75	(275)	-	(119)
382	(1,208)	(618)	(1,275)	7,545	543
29	105	2	74	-	-
-	68	-	-	-	-
(90)	(2)	(2)	(23)	(10)	(51)
321	(1,037)	(618)	(1,224)	7,535	492
201	17,524	(1,378)	18,698	(34,281)	8,281
<u>\$ 522</u>	<u>\$ 16,487</u>	<u>\$ (1,996)</u>	<u>\$ 17,474</u>	<u>\$ (26,746)</u>	<u>\$ 8,773</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007
 (IN THOUSANDS)
 (PAGE 1 OF 3)

	TOTAL	BUILDING DEVELOPMENT & MANAGEMENT CORPORATIONS	CONSTRUCTION & FACILITIES MANAGEMENT	DES EQUIPMENT REPLACEMENT	EMPLOYEE BENEFITS PROGRAM
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from users	\$ 394,210	\$ 12,125	\$ 39,243	\$ (354)	\$ 183,341
Cash payments to suppliers for goods and services	(276,843)	(2,845)	(15,433)	28	(171,214)
Cash payments for employee services	(78,972)	-	(25,318)	-	(1,946)
Other operating revenues	2,839	16	106	667	-
Net cash provided (used) by operating activities	41,234	9,296	(1,402)	341	10,181
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interest paid on short-term loans	(75)	-	-	-	-
Interfund loan principal	642	-	-	-	-
Transfers in	1,620	-	383	-	-
Transfers out	(4,866)	-	(192)	-	(30)
Net cash provided (used) by noncapital financing activities	(2,679)	-	191	-	(30)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(84,152)	(78,043)	(71)	(372)	(621)
Principal paid on general obligation bonds	(315)	-	(160)	-	-
Interest paid on general obligation bonds	(39)	-	(31)	-	-
Principal paid on revenue bonds	(70,370)	(70,370)	-	-	-
Interest paid on revenue bonds	(9,987)	(9,987)	-	-	-
Proceeds from new revenue bond issue	252,120	252,120	-	-	-
Principal paid on assessment	(15)	-	(15)	-	-
Interest paid on assessment	(6)	-	(6)	-	-
Deferred costs	(1,717)	(1,717)	-	-	-
Proceeds from disposal of capital assets	757	-	-	-	-
Net cash provided (used) by capital and related financing activities	86,276	92,003	(283)	(372)	(621)
CASH FLOWS FROM INVESTING ACTIVITIES					
Decrease in allocation of pooled reverse repurchase agreement	(5,537)	-	-	-	(1,028)
Interest on investments (Including unrealized gains/losses reported as cash and cash equivalents)	7,491	1,705	173	23	876
Purchase of investments	(3,141)	-	-	-	-
Net cash provided (used) by investing activities	(1,187)	1,705	173	23	(152)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	123,644	103,004	(1,321)	(8)	9,378
CASH AND CASH EQUIVALENTS - JANUARY 1, 2007	239,156	70,964	3,388	612	24,039
CASH AND CASH EQUIVALENTS - DECEMBER 31, 2007	<u>\$ 362,800</u>	<u>\$ 173,968</u>	<u>\$ 2,067</u>	<u>\$ 604</u>	<u>\$ 33,417</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 10,484	\$ 6,617	\$ (1,264)	\$ 273	\$ 10,080
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Depreciation	11,672	3,150	385	370	9
Change in assets - (increase) decrease					
Accounts receivable, net	(193)	(559)	409	-	(50)
Due from other funds	2,987	-	(1,039)	(354)	(46)
Due from other governments, net	(96)	-	-	-	-
Inventory of supplies	(152)	-	14	-	-
Prepayments	541	(4)	-	-	-
Change in liabilities - increase (decrease)					
Accounts payable	(4,780)	157	200	52	35
Retainage payable	2	-	2	-	-
Estimated claim settlements	19,796	-	-	-	(21)
Due to other funds	88	(77)	(358)	-	6
Due to other governments	9	9	-	-	-
Wages payable	247	-	80	-	(58)
Taxes payable	6	1	-	-	-
Custodial accounts	45	-	-	-	45
Unearned revenues	186	2	-	-	185
Compensated absences	190	-	95	-	(6)
Other postemployment benefits	202	-	74	-	2
Total adjustments	30,750	2,679	(138)	68	101
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 41,234</u>	<u>\$ 9,296</u>	<u>\$ (1,402)</u>	<u>\$ 341</u>	<u>\$ 10,181</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Contributions of capital assets from government	\$ 1,904	\$ -	\$ 1,672	\$ 17	\$ -

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007
(IN THOUSANDS)
(PAGE 2 OF 3)

FINANCIAL MANAGEMENT SERVICES	OFFICE OF INFORMATION RESOURCE MANAGEMENT OPERATING	INFORMATION & TELECOM- MUNICATIONS SERVICES	INSURANCE	KING COUNTY GEOGRAPHIC INFORMATION SYSTEMS	MOTOR POOL EQUIPMENT RENTAL
\$ 29,641	\$ 1,980	\$ 30,318	\$ 22,773	\$ 4,360	\$ 13,015
(10,204)	(400)	(9,174)	(23,523)	(578)	(7,858)
(19,272)	(1,245)	(16,764)	(2,026)	(3,107)	(1,720)
15	-	32	1,760	-	167
<u>180</u>	<u>335</u>	<u>4,412</u>	<u>(1,016)</u>	<u>675</u>	<u>3,604</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,169	-	-	68
(211)	(19)	(4,234)	(2)	(90)	(2)
(211)	(19)	(3,065)	(2)	(90)	66
(162)	(10)	(653)	(8)	(95)	(2,154)
-	-	(155)	-	-	-
-	-	(8)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	288
(162)	(10)	(816)	(8)	(95)	(1,866)
-	-	-	(3,524)	-	-
441	49	-	2,704	-	138
-	-	-	-	-	-
<u>441</u>	<u>49</u>	<u>-</u>	<u>(820)</u>	<u>-</u>	<u>138</u>
248	355	531	(1,846)	490	1,942
<u>4,794</u>	<u>1,349</u>	<u>7,782</u>	<u>83,578</u>	<u>482</u>	<u>3,408</u>
<u>\$ 5,042</u>	<u>\$ 1,704</u>	<u>\$ 8,313</u>	<u>\$ 81,732</u>	<u>\$ 972</u>	<u>\$ 5,350</u>
<u>\$ (1,625)</u>	<u>\$ 311</u>	<u>\$ 2,530</u>	<u>\$ (9,837)</u>	<u>\$ 382</u>	<u>\$ (1,407)</u>
371	8	796	1	51	3,321
-	-	(1)	-	(1)	-
395	115	46	(54)	27	1,844
(93)	-	(8)	-	-	-
-	-	-	-	-	(5)
-	-	-	545	-	-
361	(57)	(831)	(4,559)	192	(230)
-	-	-	-	-	-
-	-	-	12,485	-	-
539	22	1,607	358	(19)	52
-	-	-	-	-	-
92	(5)	90	3	15	1
-	-	5	-	-	-
-	-	-	-	-	-
(26)	-	25	-	-	-
118	(61)	117	37	21	23
48	2	36	5	7	5
<u>1,805</u>	<u>24</u>	<u>1,882</u>	<u>8,821</u>	<u>293</u>	<u>5,011</u>
<u>\$ 180</u>	<u>\$ 335</u>	<u>\$ 4,412</u>	<u>\$ (1,016)</u>	<u>\$ 675</u>	<u>\$ 3,604</u>
\$ -	\$ 5	\$ -	\$ -	\$ 29	\$ 105

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007
(IN THOUSANDS)
(PAGE 3 OF 3)

	PRINTING/ GRAPHIC ARTS SERVICES	PUBLIC WORKS EQUIPMENT RENTAL	SAFETY & WORKERS' COMPENSATION	WASTEWATER EQUIPMENT RENTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from users	\$ 2,843	\$ 12,654	\$ 39,386	\$ 2,885
Cash payments to suppliers for goods and services	(2,123)	(11,013)	(21,603)	(903)
Cash payments for employee services	(1,296)	(3,493)	(2,543)	(242)
Other operating revenues	11	62	-	3
Net cash provided (used) by operating activities	<u>(565)</u>	<u>(1,790)</u>	<u>15,240</u>	<u>1,743</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interest paid on short-term loans	(75)	-	-	-
Interfund loan principal	642	-	-	-
Transfers in	-	-	-	-
Transfers out	(2)	(23)	(10)	(51)
Net cash provided (used) by noncapital financing activities	<u>565</u>	<u>(23)</u>	<u>(10)</u>	<u>(51)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	(1,340)	-	(623)
Principal paid on general obligation bonds	-	-	-	-
Interest paid on general obligation bonds	-	-	-	-
Principal paid on revenue bonds	-	-	-	-
Interest paid on revenue bonds	-	-	-	-
Proceeds from new revenue bond issue	-	-	-	-
Principal paid on assessment	-	-	-	-
Interest paid on assessment	-	-	-	-
Deferred costs	-	-	-	-
Proceeds from disposal of capital assets	-	350	-	119
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(990)</u>	<u>-</u>	<u>(504)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease in allocation of pooled reverse repurchase agreement	-	-	(985)	-
Interest on investments (including unrealized gains/losses reported as cash and cash equivalents)	-	285	944	153
Purchase of investments	-	-	(3,141)	-
Net cash provided (used) by investing activities	<u>-</u>	<u>285</u>	<u>(3,182)</u>	<u>153</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>-</u>	<u>(2,518)</u>	<u>12,048</u>	<u>1,341</u>
CASH AND CASH EQUIVALENTS - JANUARY 1, 2007	<u>-</u>	<u>10,719</u>	<u>23,806</u>	<u>4,235</u>
CASH AND CASH EQUIVALENTS - DECEMBER 31, 2007	<u>\$ -</u>	<u>\$ 8,201</u>	<u>\$ 35,854</u>	<u>\$ 5,576</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (543)	\$ (1,835)	\$ 6,531	\$ 271
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Depreciation	15	2,358	3	834
Change in assets - (increase) decrease	-	-	9	-
Accounts receivable, net	-	-	-	-
Due from other funds	(234)	169	1,474	644
Due from other governments, net	5	-	-	-
Inventory of supplies	-	(160)	-	(1)
Prepayments	-	-	-	-
Change in liabilities - increase (decrease)	-	-	-	-
Accounts payable	(22)	48	(139)	13
Retainage payable	-	-	-	-
Estimated claim settlements	-	-	7,332	-
Due to other funds	454	(2,459)	(19)	(18)
Due to other governments	-	-	-	-
Wages payable	(3)	12	20	-
Taxes payable	-	-	-	-
Custodial accounts	-	-	-	-
Unearned revenues	-	-	-	-
Compensated absences	(241)	64	23	-
Other postemployment benefits	4	13	6	-
Total adjustments	<u>(22)</u>	<u>45</u>	<u>8,709</u>	<u>1,472</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (565)</u>	<u>\$ (1,790)</u>	<u>\$ 15,240</u>	<u>\$ 1,743</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets from government	\$ 2	\$ 74	\$ -	\$ -